



Commonwealth of Massachusetts  
**DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT**

Mitt Romney, Governor ♦ Kerry Healey, Lt. Governor ♦ Jane Wallis Gumble, Director

**INFORMATION MEMORANDUM**  
**WAP-IM-2004-010**

**TO:** WAP and HEARTWAP Subgrantee Executive Directors  
WAP and HEARTWAP Subgrantee Energy Directors

**FROM:** Ken Rauseo, Deputy Director  
Community Service Unit

**SUBJECT:** **FY 2004 DOE WAP ALLOCATIONS, BUDGET FORMS, AND GUIDANCE**

**DATE:** *March 5, 2004*

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Attached, **for WAP SUBGRANTEE ENERGY DIRECTORS ONLY** are individual subgrantee allocations and the budget forms necessary to prepare your *FY 2004 Department of Energy Weatherization Assistance Program (DOE WAP)* budget. Please read this memorandum thoroughly before preparing your budget. Specific line item guidance is being provided in this memorandum. Questions concerning the budget process should be referred to the DHCD staff at (617) 573-1431 or 573-1421.

**Budget Period**

All participating WAP Subgrantees are required to submit to DHCD, **no later than March 25, 2004** a twelve (12) month WAP budget for the period April 1, 2004 through March 31, 2005.

**Subgrantee Advance**

After the Contract has been approved by the Comptroller of the Commonwealth of Massachusetts in the Massachusetts Management Accounting and Reporting System (MMARS), the Department will advance to the subgrantee seventeen percent (17%) of the total contract amount in accordance with the approved budget.

Included in the budget package is a computer disk with the Budget Summary Form, Budget Support, Sheets, Budget Amendment Form in Word, and the Monthly Report Form and Budget Summary and Support Forms in Excel.

## **HOW TO COMPLETE THE BUDGET FORMS**

Subgrantees may complete the Budget on the enclosed hard copies, or use either the MS WORD or Excel versions of the Budget forms included on the enclosed disk.

### **Budget Summary Form**

Complete the Budget Summary Form using the ***totals*** listed on the completed Budget Support Forms for each category. The Excel version of the ***Budget Summary Form*** automatically provides totals from the individual Budget Support forms.

### **Liability Insurance Guidance**

Subgrantees must fill in the appropriate ***Liability Insurance*** amount where indicated. Liability Insurance costs cannot exceed the budgeted amount. DHCD is providing subgrantees with \$6,000 to cover basic liability insurance costs as well as Pollution Occurrence Hazard. Subgrantees that do not expend the entire amount must re-budget these surplus funds into their Program Operations Allocation line item in order to facilitate additional service to eligible low-income clientele.

### **Budget Support Forms**

Budget Support Forms are provided for the justification of each line item. Please use the appropriate page for each line item, and indicate at the top of the page, if it is an ***ADMINISTRATION*** or a ***PROGRAM SUPPORT*** line item. If you are using the Excel version, there are separate worksheets for Admin. and Program Support of each line item.

## **BUDGET GUIDANCE**

Submit the **original budget** and advance request, with the signatures of the Executive Director and/or Fiscal Officer, along with **one (1) additional copy**, to:

*David Fuller  
Department of Housing and Community Development/Division of Community Services  
100 Cambridge Street, Suite 300  
Boston, MA 02114*

### **Subgrantee Contracts, Leases, or Agreements**

Provide a copy of each contract, lease, or agreement with any firm or individual providing services such as data processing, repair, payroll processing, photocopying, postal meters, insurance, etc.

In categories such as rent, utilities, etc., where costs are allocated to various programs, show how the WAP charges were determined. **A COST ALLOCATION PLAN, OR MOST RECENT APPROVED INDIRECT COST RATE IS REQUIRED.**

## **DEFINITIONS OF LINE ITEMS**

1. **SALARIES:** This line will show the expenses of all persons who work full-time, part-time, or a percentage of their time on the WAP program, and are "employees" of the subgrantee. "Employees" are defined as those persons subject to the rules governing withholding of taxes for Social Security, Federal Income Tax and State Income Tax. Employees are also covered in full, or in part, by the fringe benefits provided by the subgrantee. List **all** agency positions and names of personnel who are directly charged to WAP, and receive all or part of their salaries from WAP. In the case of shared positions, show the percentage of time charged to WAP and the total salary. Every position that is funded in full or in part with WAP funds must be included.
2. **FRINGE BENEFITS:** Includes all agency expenses that are paid for the benefit of persons included in the salary account above. It would include Workers' Compensation; the agency share of Social Security taxes, medical, dental, and life insurance; and the cost of any other benefit provided to the employee at the agency's expense.
3. **CONSULTANTS:** This would be the cost(s) of any person(s) connected to the program whose payment does not appear in the salary section. It includes the expenses of persons hired for a set period of time, for a set fee, with said persons being responsible for their own payment of any taxes due on the income. It **does not** include the expense of any consultants hired by the subgrantee for purposes other than those **directly** related to the Weatherization Assistance Program (WAP). Contractual relationships with other agencies participating in the WAP must be reported in the Contract Services section of the budget. Consultant type positions, such as legal services or audit services, will be accounted for in line item "Other".
4. **RENT:** This figure should be the actual rental or lease cost, or the pro-rated expense to the WAP program. It should include the short term rental costs for intake sites, and space cost charges when these sites are located in shared locations.
5. **UTILITIES:** The cost of heat and lights for the buildings and spaces listed above, that are applicable to the WAP program.
6. **TELEPHONES:** All telephone expenses that are necessary and chargeable to the WAP program.
7. **CONSUMABLE SUPPLIES:** All small supplies that are not chargeable to any other line item expense. This **should not include** cost of ink, dispersant, paper, etc., that is used exclusively for the photocopying machine. It should include anything with a unit cost of less than \$500.00. Software and supplies for computer equipment will be shown in the line item reflective of Data Processing.
8. **NON-EXPENDABLE EQUIPMENT** All equipment purchases costing less than \$1,000.00, but more than \$500.00.
9. **CAPITAL EQUIPMENT/SERVICES (\$5,000.00 or more)** All equipment or service purchases costing \$5,000.00 or more for an individual item. Written permission is required for all equipment or service purchases of \$5,000.00 or more.
10. **LEASED EQUIPMENT:** **All** leased equipment, **except** leased vehicles, leased photocopying equipment, and leased postage meters. This would include leased typewriters, furniture, and telephones.

11. **PHOTOCOPYING:** This category includes all expenses involved in the operation of copy or duplicating equipment, including the cost of leasing such equipment. If the equipment is owned by the subgrantee, then any pro-rated charge to WAP is to be included in this line item. This will also include papers, consumables, ink, dispersant, and other supplies necessary for the operation of the equipment. Photocopying expenses will also include the cost of any service contracts for the repair and upkeep of the equipment; full cost if the equipment is exclusive to WAP; pro-rated if the equipment is shared.
12. **OUTSIDE PRINTING:** This expense item would reflect the cost of printing forms, envelopes, applications, etc., by some person or firm outside of the agency.
13. **POSTAGE AND MAILING:** This line item includes the cost of stamps and postage for subgrantee mailings and reports. It also includes all postage and mailing expenses directly related to the WAP, including the cost of leased or owned postage meters and service contracts for the same, as well as costs for commercial mailing services such as UPS, Federal Express, etc.
14. **ADVERTISING:** The cost of any type of advertising for the purpose of disseminating information to the general public about the WAP or the program operator's need for personnel. Includes the cost of radio, television and newspaper advertisements as well as posters and signs.
15. **TRAVEL:** The travel expenses to be incurred by the subgrantees including mileage, lodging and meals, necessary for the operation of the WAP.
16. **VEHICLE OPERATING EXPENSES:** Expenses incurred in leasing, renting, and insuring a vehicle(s) if said vehicle(s) is necessary for the operation of the WAP.
17. **CONTRACT SERVICES:** This would include contracts for legal services, security services, services for equipment other than photocopying machines, postage meters and in-house computer equipment. Contracts for administrative services such as automated payroll systems, etc., would also be shown here (in the Administration category). Contractual relationships with other agencies performing weatherization services such as energy audits, quality control inspections, and contractor management are included in this category as a Program Support Cost.
18. **AUDIT:** Pro-rated costs associated with the subgrantee's financial audit above the amount that BEP has budgeted in the FINANCIAL AUDIT category below should be entered into this line item. (Admin. only)
19. **STORAGE:** The cost of renting space to store any WAP inventory.
20. **INDIRECT COSTS:** **Only** those subgrantees that have a Federally approved indirect cost rate can use this line item. All other subgrantees must indicate program costs as a direct cost in the appropriate line item category. **THIS LINE ITEM IS AN ADMIN. EXPENSE ONLY.** Documentation of the agency's currently approved indirect cost rate must be included with the budget submission.
21. **BOOKS/PUBLICATIONS:** The cost of subscriptions to any energy conservation related publication.
22. **DATA PROCESSING:** Would include the cost of internal systems, partial systems, and anything else that provides program and/or fiscal information for the use of the subgrantee and for the operation of the program, including computer service contracts for subgrantee owned equipment, software, and supplies.

23. **OTHER:** This general category will contain the expenses not specifically described in the other sections. This section will be used only for expenses that cannot be listed elsewhere.

**SUBTOTAL:** Subtotal of all Administrative costs and Program Support costs.

**TOTAL ADMIN. & PROGRAM SUPPORT:** The combined total of all Administrative and Program Support costs.

**PROGRAM OPERATIONS:** The Program Operations budget amount.

**LIABILITY INSURANCE:** Fill in the appropriate budgeted *Liability Insurance* amount where indicated.

**TRAINING AND TECHNICAL ASSISTANCE:** This category is for training and technical assistance needs and conference attendance. The purchases of tools, equipment and computer hardware cannot be charged to this cost category. \$2,500 in Training and Technical Assistance funds must be distributed to each subgrantee and subcontract agency within the WAP network. Unspent T & TA funds must be reprogrammed into Program Operations funds and utilized to provide additional client services.

**FINANCIAL AUDIT:** The pro-rated cost of the agency financial audit up to maximum amount listed in the budget.

**ESTIMATED LEVERAGING FUNDS:** The agency should enter an estimated total leveraged amount for FY 2004, including those funds to be used for Administration (maximum 10% of leveraged total), Program Support (all categories), and Program Operations. The actual budgeting of the leveraged funds should be reported in the appropriate cost category of the budget support forms.

If you have any questions about the WAP budgeting process, do not hesitate to call the DHCD staff at (617) 573-1431 or 573-1421.